

HCFA Research Director Brian Rosman thanked the Commission for its open process of stakeholder engagement, particularly the strong emphasis on consumer involvement. He urged the Commission to keep in mind 4 principles, symbolized by children's story characters: 1. Snow White 2. Dumbo; 3. Goldilocks; and 4. Little Red Riding Hood. That is:

**1. Snow White: transparency.** Just like the Queen's mirror that sees everything, payment structures and incentives must be fully transparent and easily understood by the patient.

**2. Dumbo: patient empowerment.** Dumbo could always fly, he just needed some encouragement. So too with patients. Patients need to be empowered by the health care system to take charge and make fully-informed decisions about their health care.

**3. Goldilocks: make it just right.** Goldilocks liked her porridge not too hot and not too cold. She liked her chair not too big and not too small. It is critical to strike the right balance with payment reform so that patients are not harmed and appropriate care is not withheld. While unrestrained fee-for-service leads to overuse and poor quality care, improperly structured payment bundles can provide incentives for cherry-picking and withholding of needed care.

**4. Little Red Riding Hood: don't ignore public health.** In Little Red Riding Hood, the community should have taken care of the wolf long before it got to Grandmother's house. In addition to the individualized medical care payment system, we should keep in mind that some avenues of care are best provided through public structures.